drawing money from the banks, through the computers. Is it in his knowledge? If it is, I want to know whether he is planning to have a super-computer to keep a watch on other computers, in different banks.

SHRI EDUARDO FALEIRO: Fortunately, this expertise has not widely spread; at least in our country, it is not there and I hope it will not spread so that we have a computer to watch computers.

SHRI VISHWA BANDHU GUPTA: It is very easy; at the stage of data entry ....

श्री सभापति : वह बतला नहीं रहे हैं, वरना यह सब में फैल जाएगी और बैंकों में निकल हो जायगी ।

SHRI GHULAM RASOOL MATTO: It is a fact that computerisation is the need of the day and we cannot do without it. But I have an experience with a foreign bank, Grindlays Bank where a thorough training is given to those who handle computer machines and besides that, for input, they are given further 3-4 months training, vigourous training. I would like to know from the hon. Minister whether this vigorous training is given to lower level employees and also to those who have to supply input software.

SHRI EDUARDO FALEIRO: Banks generally make necessary arrangements for training, in consultation with Reserve Bank of India. As per the information available with us, data entry operators and other staff are given the training. So far as the systems analysists and programmers are concerned, as against one thousand persons to be trained, as recommended by a committee—Rangarajan Committee—1,721 officers have been trained. Besides, large number of executives have undergone appreciation courses for proper appreciation of use of computers, and this is how the training programme is going on.

MR. CHAIRMAN: Next question.

Evasion of sales tax in Delhi

282. SHRI ANAND SHARMA:†
SHRI MUKHTIAR SINGH MALIK:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that Delhi tops in the matter of sales tax evasion, as per an official study conducted on behalf of the Delhi Administration; and

(b) if so, what steps have been taken by Government to check such sales tax evasion?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI): (a) and (b) A statement is laid on the Table of the House.

Statement

In 1982, the Delhi Administration entrusted the National Institute of Public Finance and Policy with a study on the sales tax system in the Union Territory of Delhi. The Institute chose only two commodities, namely, automobile parts and sanitary-wares and fittings to study the magnitude of sales tax evasion. In comparison to Tamil Nadu, Kerala and Bihar for which studies were made in respect of automobile parts, it has pointed out that evasion in Delhi was higher. The report of the Institute is based on several assumptions and is related to the years 1977-78 and 1978-79.

Various steps have been taken to prevent loss of revenue and plug the possible loop-holes. Quite a large number of classes of goods have been shifted from the last point to the first point for the levy of tax. Dealer to dealer transactions are being got verified in doubtful cases. Surveys of dealers to detect cases of tax

†The question was actually asked on the floor of the House by Shri Anand Sharma.

evasion have been intensified. More vigorous enforcement measures have also been undertaken.

SHRI ANAND SHARMA: As per the statement of the Minister, Delhi Administration had instituted a study by the National Institute of Public Finance and Policy, and the report of the study has established that the national capital, in fact, tops in sales-tax evasion in the country which is estimated to be 31 per cent of the total revenue loss, or Rs. 71 crore, and 83 per cent of sales-tax under Delhi Sales Tax and 94 per cent under Central Sales Tax has been evaded. This is a very serious matter. The evasion has been maximum in automobile parts and sanitary ware. The hon. Minister has said that various measures have been taken to plug the loopholes. If so, I would like to know the results of such measures have been taken and the percentage-wise decline in both the DST and the CST. Part (b) of my question is, for a long time there has been growing uncertainty about the very continuance of sales tax and there have been demands for this tax to be abolished altogether. I would like to know whether the Government is proposing to abolish it, or this uncertainty will be allowed to be there.

SHRI CHINTAMANI PANIGRAHI: Sir, I am grateful to the hon. Member for having raised a very important issue so far as evasion of sales tax is concerned. This study was made many years back, in 1975-1976. So, it has no relevance to what is happening today. The fact is that the central sales tax collection in Delhi has been consistently going up and it is much more than the targets prescribed by the Planning Commission. The hon. Member has asked the fruits borne of the measures taken by us. I can quote figures for the past three-four years. We have taken some action. We have undertaken cross verification of dealer-to-dealer transaction in doubtful cases. It has also been taken up through electronic data processing cell of the Department. In order to plug the loopholes of tax evasion, 26 items were brought to the first point tax from February 1978 and 17 more items were brought to first point tax from 11th April, 1986. In all 43 items are subject to first point tax in Delhi. The sales tax collection target that was fixed by the Planning Commission is:

1983-84: 245 crores, 1984-85: 270 crores, 1985-86: 308 crores, 1986-87: 368 crores (in rupees).

The collection achievement is:

1983-84: 230.85 crores, 1984-85: 277.54 crores, 1985-86: 325.92 crores, 1986-87: 379.19 crores (in rupees).

And the tax collection target fixed for this year is Rs. 410 crores whereas collection as on 12.3.1988 is Rs. 403 crores. So, we can see that the collection is going up because of these measures taken by us.

Regarding the question whether sales tax will be there or it will be abolished, this is a bigger question. But here we are concerned with the evasion of sales tax which the hon. Member may kindly appreciate.

SHRI ANAND SHARMA: Evasion of tax is not without the connivance of the enforcing authority. In this process, whereas the big business people, they go scot free, they evade taxes, the small shopkeepers, small businessmen, they bear the burnt because of the harassment by the sales tax inspectors or the other enforcing agencies. I would like to know from the Minister, in view of the complaints from the shopkeepers of harassment, what has been described as the *inspectri raj*, what steps have been taken to check such harassment of small shopkeepers?

SHRI CHINTAMANI PANIGRAHI: Sir, whenever it comes to our notice that small shopkeepers are being harassed by our sales tax collecting agency, disciplinary action is taken against the concerned persons. I can inform the hon. Member that disciplinary action has been taken against 35 non-gazetted and 47 gazetted officers for various acts of

omission and commission in the three-year period, up to 31.3.1987. The total staff strength of the Sales Tax Department Delhi, is around 1800. Therefore we are taking steps whenever a complaint comes from the small shopkeepers. If the hon. Member can bring to our notice any such complaint, we can go for an enquiry into these allegations and take action. We are conducting regular surveys to avoid this kind of thing. In 1986-87, we carried out 16628 surveys. The number of unregistered firms which were detected in 1985-86 was 819 and in 1986-87 it was 428. The number of cases in which incriminating documents were available were, beginning from the year 1981-82, 346,289 and so on, touching the figure of 405 in 1985-86. The number of FIRs lodged with the police against them in 1986-87 was 265. So we are taking all action wherever there is any shortcoming. I may request the hon. Member that if he can bring to our notice any such case, we shall immediately take action because we want to check Sales Tax evasion.

SHRI MUKHTIAR SINGH MALIK: As has been pointed out by my learned colleague, evasion of sales tax is taking place under the very nose of the Central Government in the capital. My learned friend also brought out that this evasion cannot be done without the collusion of the departmental officers. I would like to know from the hon. Minister what steps the Government is going to take in respect of complaints against the officers who collude with businessmen in the evasion of sales tax.

Part (b) of my question is, the hon. Minister has stated in the first line in para 2 that various steps have been taken, but in the last line he has stated that more vigorous enforcement measures have also been undertaken. I would like to know from the hon. Minister if he could kindly enumerate those "vigonrous measures" which have been undertaken by the Government.

Further, the study has recommennded reforms in the structure, operation and staffing of the Sales Tax Department. What has the Government done in that respect?

SHRI CHINTAMANI PANIGRAHI: I have already answered that question. So I should perhaps tell a little "vigorously".

MR. CHAIRMAN: Vigorously but briefly.

SHRI CHINTAMANI PANIGRAHI: I would like to add one more "vigorous" measure that we have under taken. To strengthen the Sales Tax machinery in Delhi, we have decided to increase the number of wards from 50 to 90. We also want to strengthen the Enforcement Cell so that we can carry out all the measures mentioned by me earlier to plug the loopholes in tax evasion. So we are taking whatever action should be taken against the errig officers who are colluding with the business people. We are taking all those measures which I have narrated. If the hon. Member, Mr. Malik, wants to know anything else, I can repeat those points.

SHRI MUKHTIAR SINGH MALIK: The hon. Minister has not replied about the recommendations of the study.

SHRI CHINTAMANI PANIGRAHI: There are a number of recommendations. If you want, I can place these on the Table.

MR. CHAIRMAN: You place it on the Table.

SHRI CHINTAMANI PANIGRAHI: Whatever they have recommended we are carrying out. Moreover that study was done in the year 1975. We want to make the study more up-to-date.

SHRI MUKHTIAR SINGH MALIK: But what is the action taken by Government?

SHRI V. NARAYANASAMY: What is the recent survey?

SHRI CHINTAMANI PANIGRAHI: One more point I can add. From September, 1987, statutory forms were stopped in case of 250 dealers. Mr. Sharma wanted to know the number against whom complaints of evasion came to our notice. About the recommendation of shifting of some goods from the last point tax to the first point tax, as I said, 43 items have

come under the first point which were under the last point. About the level of rates and the first point levy being kept small, that also we are taking into consideration. Another recommendation is that a relatively small number of commodities of which the value added is quite substantial at later stages and those which are manufactured by a number of small units should be fixed at the last point. So, Sir, about the trading activities in Delhi as they are placed today, that recommendation also we are taking into consideration. There are about seven recommendations, and we are going into details of all these recommendations. We are trying to make them uptodate, and whichever recommendation is suitable to us, we are also going to implement.

SHRI DHARAM CHANDER PRASHANT: Sir, in the reply it has been given that various steps have been taken to plug the loopholes. I want to ask the hon. Minister which step has proved most effective in this, the most effective step to plug the loopholes.

SHRI CHINTAMANI PANIGRAHI: Sir, the most effective is from the last point of sales tax because that was the point where more evasion was taking place. Therefore, we are now taxing at the first point. That means the manufacturing point. Therefore, the evasion could be checked. We are increasing those items more and more from 17 to 43 items which carry really more sales. Therefore, it is a very major step that we have taken.

The second thing we have done is that those business people who are involved in evasion of sales tax, we are not giving them forms. We have stopped issuing forms so that they cannot take recourse to this kind of evasion.

We are increasing the strength of our Sales Tax Cell also. We are taking vigorous action against erring officers who are involved in evasion. I have read that statement about how many officers have been punished. We have done it.

Therefore, all efforts have been made to see that the sales-tax evasion checked in Delhi.

And the target fixed by the Planning Commission, we go on increasing for resource mobilisation.

श्री हरवेन्द्र सिंह हंसपाल : सभापति जी, मंत्री महोदय तो सेंट्रल गवर्नमेंट में स्टेट होम मिनिस्टर हैं, इनको जो बता दिया गया दिल्ली सेल्स-टैक्स के बारे में, वह बता रहे हैं। मैं जानना चाहूंगा कि क्या आप ऐसा कोई सर्वे कण्डक्ट करवा सकते हैं शॉप-कीपरस या जो सेल्सटैक्स पे करत हैं दिल्ली के अन्दर, उनका कि उन्हें कोई दिक्कत तो नहीं है और क्या यह भी जानने की कोशिश करेंगे कि किसी की असेसमेंट बगैर किसी अण्डरस्टेंडिंग के हो भी जाती है ?

SHRI CHINTAMANI PANIGRAHI: Sir, I have also mentioned that whenever such things are coming to our notice, disciplinary action has been taken.

श्री हरवेन्द्र सिंह हंसपाल : मैंने कहा है, क्या आप स्टडी कण्डक्ट करवाएंगे। आने का सवाल नहीं है। कोई आपके पास कैसे आ जाएगा ?

SHRI CHINTAMANI PANIGRAHI: These are the facts that are before us. If the hon. Member thinks that by making more survey, going in for detailed surveys, we can do that, we will take the suggestion into consideration. It is a good suggestion.

SHRI JAGESH DESAI: Sir, I also wanted to put a supplementary.

MR. CHAIRMAN: I have not called you.

Review of policy in respect of new Mini-Steel Plants by IDBI

*283. SHRI SUBAS MOHANTY: Will the Minister of FINANCE be pleased to to state:

(a) whether it is a fact that the public financial institutions have decided to follow a cautious policy in the matter of extending loans to the new mini-steel plants;

(b) if so, whether a review of the mini-steel industry has been made by the Indus-